

HB

179

COMMITTEE REPORT
SENATE

FURTHER: None

3/9/79

Date: 3/14/79

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had HB 179 relating to the Alaska Medical Facility Authority

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{INDIVIDUAL} without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Johnston

Glenn Hackney

CHAIRMAN

DO PASS

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE PESS

To: _____ SENATE BILL No. _____

HOUSE BILL No. 179

PAGE: 1

LINE: 21, 23, 27 and 29

page 1, line 21: delete "service" and insert "system?"

page 1, line 23: delete "may" and insert "shall"

line 23: delete "two" and insert "three"

page 1, line 27: delete "five" and insert "two"

page 1, line 29: delete entire line

AMENDMENT

OFFERED IN THE SENATE:

BY: SENATE HESS

TO: _____ SENATE BILL No. _____

HOUSE BILL No. 179

PAGE: 2

LINE: 1 and 2

page 2, lines 1 and 2: delete entire lines

HB 179 "An act relating to the ~~AP~~ ~~Facilities~~ ~~Authority~~ and providing
by: Rules Committee for an effective date."
House of Rep.

Introduced 2-12-79

Logged 3-9-79

Referrals - none

Comm. Meeting - 3-14-79

Action 3-15-79 take X Senate say when amendment typed
just in time

Gov's letter + zero F/H

Jennie Katz notified
Gov's office "
Randy Phillip office
Rep. Bierne will be
in attendance - did
not say he wanted to
testify.

3/17/79 Call Tom Dunigan - info memo re Hospital service station

HB 179

Rep. Chatterton. I'm here to propose an amendment to HB 179. These were amendments that in the rush of these times were intended to be accomplished by the body of which I am a member, but carelessly were not.

The amendments are not my own, they are amendments that in concept were offered by the Department of Health and Social Services and also, in concept again, by the South Central Health Planning and Development Corporation from Anchorage.

Page 1, line 21: delete "service" and insert "systems"
Page 1, line 23, delete "may" and insert "shall"
line 23: delete "two" and insert "three"
Page 1, line 27: delete "five" and insert "two"
Page 1, line 29: delete entire line
Page 2, lines 1 & 2: delete entire lines

Sen. Ferguson. Mr. Chatterton, you have on page 1, line 29 "delete entire line" and then you delete the whole paragraph. I was wondering why you were doing that.

Rep. Chatterton. Senator Ferguson that is a recommendation of (i) the Department of Health and Social Services and I will paraphrase from their position paper that was handed to the House: 'While we still support the inclusion of public members we do not feel that a member of the state health. planning and development agency which is within the department appropriately meets this classification, this classification being a public member.

Sen. Ferguson. I would move for the adoption of the amendments recommended by Representative Chatterton.

Sen. Hackney. No objections? So ordered.

Janice Gates. I think we are entirely in agreement with those amendments

Sen. Sturgulewski. I believe we had testimony did we not that the South Central Health Planning Agency supports this?

Rep. Chatterton. Yes.

Janice Gates. Actually all three health systems agencies support it.

Sen. Fahrenkamp. I move we pass out HB 179 as amended with individual recommendations.

Sen. Hackney. No objections? So ordered.

PROVIDENCE HOSPITAL

3200 PROVIDENCE DRIVE - POUCH 6604
ANCHORAGE, ALASKA 99502
PHONE: (907) 276-4511



SERVING IN THE WEST SINCE 1858

February 21, 1979

Honorable Thelma Buchholdt
Chairman
Health, Education & Social Services Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Buchholdt:

We have reviewed H. B. 179, "An Act relating to the Alaska Medical Facility Authority; and providing for an effective date." We have some concerns and feel strongly that several changes should be made as follows:

1. Section . 'a) (4) (A) line 23 - the word "may" should be deleted and the word "shall" should be inserted. This keeps the wording consistent with the references to nominees from SHCC (line 27) and SPD (line 2 page 2).
2. The nominees to the Authority from the State Health Planning and Development Agency (SHPDA) Section 1 (a) (4) (C) line 29ff), should be totally deleted from the bill.

According to Section 1 (a) (4) line 17, the nominees designated are public members. State Health Planning Agency members are not public but are employees of the State of Alaska, under the jurisdiction of the Commissioner of HESS.

Employees of the State (the SHPDA) should not be included as nominees of the Authority. In a voting situation, should a member of SHPDA and the Commissioner (his or her boss) differ on an application being considered, the employee from SHPDA would be in an untenable position as he/she would be reluctant to vote against his/her superior. Putting it another way, the Commissioner would have an extra vote in his/her pocket.

3. A small correction on line 21: The agency referred to is a health systems agency, not health service agency.

Honorable Thelma Buchholdt
Page Two
February 21, 1979

4. Transition (Section 2 page 2, line 3ff): There needs to be a period allocated to allow for transition, to give the SHCC and HSAs time to submit nominations and the Governor time to consider his decision. Therefore, we would suggest that you consider delaying the effective date of the act for 30 to 60 days after it is signed into law; or when the Governor appoints all the members of the Authority; whichever ever comes first.

Thank you for the opportunity of expressing our concerns on this bill. If you have any questions or wish further comments, please feel free to call on us at any time.

Sincerely,



Al M. Camosso
Administrator

cc Governor Jay Hammond
All HESS Committee members
Mr. Charles Rigden, Chairman, MHC
Mr. William Dann, President, SCHPD

Alaska Medical Facility Authority

HOUSE BILL NO. 179, by the Rules Committee by Request of the Governor, Amends AS 18.26.030 (Alaska Medical Facility Authority, Board of Directors) to read "(a) The authority shall be managed and controlled by a seven person board of directors, who serve at the pleasure of the governor,...". Also provides that four public members be appointed by the governor, deleting reference to appointment by "a majority of the members of the respective health-service agency or council." Changes system of appointment by health service agency and provides that transition will occur upon the effective date of this Act. Provides for an immediate effective date.

Introduced February 12 and referred to HESS.

In his letter transmitting the bill to the House for consideration, Governor Hammond stated:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which amends the Alaska Medical Facility Authority Act, AS 18.26, to allow it to qualify as a properly constituted authority of the State of Alaska under sec. 103(a) of the Internal Revenue Code. That section excludes interest on a qualified authority's obligations from the gross income of the purchasers of the bonds. I have been advised by the attorney general and by local bond counsel that the present composition of the board of directors of the authority disqualifies the authority from the special tax treatment under sec. 103(a) of the Internal Revenue Code. This feature, of course, is the primary purpose for having established the authority and is necessary to insure the marketability of the authority's offerings. I am attaching a copy of the attorney general's opinion which explains in somewhat greater detail the reasons why we feel these amendments are necessary.

*Our copy
Please to not remove*

Introduced: 2/12/79
Referred: Health, Education
and Social Services

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 179

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Medical Facility Au-
7 thority; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18.26.030(a) is amended to read:

10 (a) The authority shall be managed and control] y a seven-
11 person board of directors, who serve at the pleasure of the governor,
12 consisting of

13 (1) the commissione of revenue, who shall also chair the
14 board;

15 (2) the commissioner of health and social services;

16 (3) the commissioner of community and regional affairs;

17 (4) four public members, appointed by the governor from
18 among the nominees submitted by the following [A MAJORITY OF THE MEM-
19 BERS OF THE RESPECTIVE HEALTH SERVICE AGENCY OR COUNCIL]:

20 (A) [ONE MEMBER SHALL BE APPOINTED BY AND FROM AND
21 AMONG THE MEMBERS OF] each [OF THE THREE] health service agency
22 [AGENCIES] in the state, organized and operated in accordance
23 with sec. 1512 [1521(b)], P.L. 93-641, which may submit two nomi-
24 nees from among the members of that agency;

25 (B) [ONE MEMBER SHALL BE APPOINTED BY AND FROM AMONG
26 THE MEMBERS OF] the statewide health coordinating council, estab-
27 lished by [IN] AS 18.07.011, which shall submit five nominees from
28 among the members;

29 (C) the state planning and development agency, desig-

1 nated under sec. 1521(b), P.L. 93-641, and established by AS 18.-
2 07.021, which shall submit two nominees.

3 * Sec. 2. TRANSITION. The terms of the current public members of the
4 Alaska Medical Facility Authority expire on the effective date of this Act.
5 Any current member is eligible for appointment by the governor if that mem-
6 ber is nominated by the appropriate council or agency listed in AS 18.26.-
7 030(a)(4) as amended in sec. 1 of this Act.

8 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
9 10.070(c).

(907) 278-3631

August 8, 1978



Helen D. Beirne, Commissioner
 Department of Health and Social Services
 Pouch H-01
 Juneau, Alaska 99811

Dear Commissioner Beirne:

In response to your letter of July 3, 1978, South Central Health Planning and Development (SCHPD), reviewed the issues surrounding the current bed capacity of Providence Hospital. In its review, the Agency examined the material considered in the April, 1977 SCHPD decision which recommended approval of Providence Hospital's request for a waiver, the May 16, 1978 opinion from the office of the Attorney General, relevant correspondence from your office, Providence Hospital and the Municipal Health Commission, and additional relevant information which has come to our attention since April, 1977.

In approving the requested bed waiver for Providence Hospital in April, 1977, SCHPD considered the significance of the square footage requirement, the need for beds as estimated by the Hill-Burton formula, construction costs, staffing efficiencies, occupancy rates and population boundaries. Background information was sent to the Department of Health and Social Services along with the SCHPD decision for approval of the bed waiver. A summary of that information follows.

The analysis showed that your agency and Region X concurred that the square footage in question was not a significant factor. Also, based on estimates using the Hill-Burton formula, it showed that the licensed bed complement (154 at Alaska Hospital and 250 at Providence Hospital) would be needed by 1981. Additionally, the cost of adding hospital beds was estimated to increase 24 times by 1986. Research indicated that staffing efficiencies would be achieved if re-modelling were to occur. The occupancy rate at Providence Hospital, approximately 85% for several years, indicated that the hospital was being used to the desired capacity. Finally, the analysis noted that twenty percent of the patients for the two hospitals come from outside of the Anchorage area.

That analysis was reviewed during the past several weeks to determine whether any of the conclusions might be changed with more current information. The new calculations were based on more current utilization rates, proposed new formulae (both National and State), and adjustments for patient origin. The calculations resulted in a range of bed need

*ALASKA HOSPITAL HAS ACTUALLY 197 BEDS, NOT 154, & ALL 197 WERE OPENED IN 1976. THEN 43 BEDS CLOSED, BUT AVAILABLE!
 So why give MORE BEDS TO PROVIDENCE! MAKES NO SENSE!*

estimates. However, all estimates show that more beds will be needed by 1980 than 154 at Alaska and 219 at Providence*. In addition, the calculations show that 404 beds (154 at Alaska and 250 at Providence) will be needed before 1982 or 1983, depending on the formula and population figures used. (If you would like further information on these calculations, we would be happy to provide it.)


SCHPD reviewed the opinion of the Attorney General and your July 3, 1978 letter which stated that there was an "absence of a determination that the additional beds are needed under Hill-Burton criteria". However, SCHPD did use the Hill-Burton formula to estimate bed need, and found that the 250 beds (with 154 at Alaska) would be needed by 1981. Along with the considerations of staffing efficiency, construction costs, and the other information mentioned above, the bed need estimates were analyzed and forwarded to the Department of Health and Social Services along with the recommendation that the waiver be granted in our April 27, 1977 letter.

Finally, SCHPD considered additional relevant information available since April, 1977. The Agency reviewed literature on economies of scale in hospitals and optimal hospital size. Also, the National Guidelines for Health Planning adopted March 28, 1978 regarding the general hospital bed supply and occupancy rate were considered. This information generally supported the agency's previous position related to existing facilities.

In conclusion, the Board of South Central Health Planning and Development has carefully re-examined its April, 1977 decision to recommend a waiver to allow Providence Hospital to have 250 beds, and finds that its previous position is reaffirmed. This determination is based on a range of bed need estimates, and considerations of staffing efficiency, ~~construction costs and other relevant information~~. Since Providence Hospital agreed to postpone actual construction until the appropriate health planning bodies were consulted, and then proceeded in good faith, we urge you to uphold the decision made previously by the State.

Thank you for the opportunity to comment on this matter.

Sincerely yours,



Ron Hammett
Administrator

RH/ab

cc: Municipal Health Commission
Al Camosso, Administrator Providence Hospital

* Alaska Hospital has a license for 154, you indicated in your letter that there were 219 beds at Providence "planned at the time...funds were awarded".

Municipality
of
Anchorage



POUCH 6-651)
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

MUNICIPAL HEALTH COMMISSION

July 31, 1978

Helen Beirne, Ph.D
Commissioner
Department of Health & Social Services
Pouch H-01
Juneau, Alaska 99811

Dear Commissioner Beirne:

In response to your letter of July 3, 1978, the Municipal Health Commission, once again, reaffirms the position taken in March of 1977 with regard to the 250 bed Capacity Level at Providence Hospital. In the development of those recommendations to the State, both locally and at the regional Health Systems Agency level, numerous issues were addressed regarding the cost/effectiveness and viability of alternative bed capacity levels. These issues included:

- cost per patient day
- optimum patient flow
- optimum feasible staff ratio
- effectiveness of service provision
- inpatient utilization rates
- cost of existing versus new bed construction
- cost containment
- projecting bed need
- patient origin
- appropriateness of Hill Burton bed need formulas

After due consideration of these issues, it was recommended that the State of Alaska grant the permanent bed waiver, placing bed capacity at 250 at the Providence Hospital facility.

The reaffirmation of this region's earlier position is based upon several factors:

- Hill Burton bed need calculations
- number of beds per 1000 population
- occupancy rate formulas and federal guidelines revising same
- absence of an updated facility plan and statewide needs assessment

- cost containment in economies of scale
- utilization rate calculations
- catchment area definition

Each issue will be addressed briefly.

Hill Burton Five Year Bed Need Calculations

The Alaska State Plan for the Construction of Hospitals and Other Medical Facilities (1976 revision) utilizes a five year projection to identify area bed need. Because the projections utilized in the plan date back to 1974, more recent projections have been used to complete the following calculations:

Midyear Population (Civilian Non-Native in 1000's) Data: Munic. of Anch. Planning Dept.		Current Pt. Days	Use Rate (UR) $\frac{\text{Current Pt. Days}}{\text{Current Population}}$	1983 Projected Average Daily Census (ADC)
1978	1983			$\frac{1983 \text{ Pop} \times \text{UR}}{365}$
171.5	212.9	105,120	613	358
		Midyear 1983 Bed Need		
		<u>Projected ADC</u> .85		
		421		

Data on current bed capacity for Anchorage identifies a licensed capacity of 404 beds, and 45 beds constructed, holding a Certificate of Need, but unlicensed and unopened. At the current level of short term acute bed availability, Anchorage can meet projected bed need through 1983 year end.

250
 154

 404
 45

 449

Number of Beds per 1000 Population

The National Guidelines for Health Planning (CFR 42 Part 121), adopted March 28, 1978 provide for a reduction in the ratio of short term acute beds to 4 beds per 1000 population. Additionally, a 10% reduction (below the accepted ratio) is recommended by 1983. It should be noted that the present bed ratio in Anchorage is 2.62 beds per 1000 population. In 1983 the ratio will be 2.11 beds per 1000 population (based upon 449 beds). Both figures are well below the national maximum guidelines, and the five year ratio is 20% less than the present level, or twice the national recommended cutback rate.

Occupancy Rate Formulas

The same 1978 Revisions to the National Health Planning Guidelines revise the occupancy rates from 85% overall to 80% overall, and specify an occupancy rate of 70% for obstetrics and 65% for pediatrics. Providence Hospital 11PM Census indicates an 80.3% average occupancy rate for open beds for the first six months of 1978. Although this change in guidelines has a significant impact on bed utilization and patient flow, these changes are not reflected in the Hill Burton Formula provided by the State.

Facility Plan and Statewide Needs Assessment

The health planning process is, at best, a frustrating one. In an attempt to deal with issues of economics and issues of human need, solutions in one area often exacerbate problems in the other.

Of absolute necessity in any planning effort is accurate data, firm goals and objectives and a short and long range implementation strategy. The absence of an up-to-date, adopted, state plan, and a timely statewide facility needs assessment serves to reduce the ability to plan for future facilities and services. In the absence of valid and reliable adopted planning documents, it is imperative that the State rely heavily upon the local and regional planning bodies, who, with access to more recent and accurate data, are in a better position to provide long range projections.

Cost Containment in Economies of Scale

The economies of scale achieved in moderate size hospitals (200-400 beds) are a significant factor in efforts toward cost containment. The services which a hospital can offer show a high positive correlation to hospital size. According to the Department of Health Education and Welfare (Trends);

"Plant and equipment assets per bed rise sharply for hospitals with less than 200 beds; for larger hospitals differences in the plant and equipment assets per bed are smaller, despite the fact that very large hospitals have significantly more special facilities than do the medium size institutions."

In reviewing cost containment impacts, marginal cost variations based on facility size must be included in any comparison model. Such marginal cost considerations are not addressed by state planning documents.

Utilization Rate Calculations

With the incorporation of the present use rate as part of the calculation of bed need, an assumption of appropriateness of current utilization rates is inherent. The factors which effect average utilization rate are numerous. In a five year retrospective review, an increase or decrease in the average utilization rate in excess of 25 days per 1000 population was noted under the following conditions:

- malpractice insurance crisis
- bed shortage
- transition to new facility
- bed surplus
- opening of outpatient surgicenter

It would appear appropriate, in the interest of validity and reliability, that a documented optimum utilization rate be established, prior to the application of formulas for determination of need. In the absence of documentation, any long range projection is subject to challenge.

Catchment Area

The population statistics utilized for calculating bed need under the Hill Burton formula (see page two) are restricted to residents of Anchorage. Based on a recent patient origin study, Providence hospital reports that approximately 15% of the patient census is comprised of non-Anchorage residents. This is interpolated for a resulting increase of 25,720 residents in the present service or catchment area.

} A NEW DEAL
FOR THEM -
BUT NOT FOR
ME.

Conclusion

I sincerely appreciate the opportunity to respond to your request. We urge you to continue to accept the 1977 recommendations of the Municipality and the Regional Health Systems Agency. Our appreciation of the difficulty of such decisions is sincere. It is our hope that you will uphold the importance of the local prerogative in the decision making process.

Sincerely,

CHR

Charles H. Rigden
Chairman, Municipal Health
Commission

} He is ADMINISTRATOR of The ALASKA Hospital
AND of course has NO "Conflict of Interest"

CHR/ch

February 16, 1977

The Honorable M. W. Beirne
Alaska State Legislature
State of Alaska
Pouah V
Juneau, Alaska 99811

Dear Representative Beirne:

In response to your letter written to me on January 24, 1977 and your letter written to Lois Jund on February 8, 1977, I contacted both Lowell Swartz, Coordinator for Health Facilities Development, Office of Planning and Research, and Anna Wenzel, Chief of Health Facilities Certification and Licensing, Division of Public Health, in order to provide you with the information you requested. As Mr. Swartz informed you in his letter of December 16, 1976, this waiver is to serve as a temporary measure in response to the current patient overflow at Providence Hospital and will extend only until phase two of the construction project has been completed. Mr. Swartz's office has apprised Providence Hospital of this stipulation.

Ms. Wenzel reports that she had granted the temporary waiver for Providence Hospital for the following reasons:

1. The on-site inspection held between September 14, 1976 and November 16, 1976, showed an overflow of patients.
2. Staffing for the beds in use at the time was inadequate.
3. According to the Attorney General's Office, Alaska Administrative Code, 7 AAC 12.010 (1)(1)(A)(vi) implies no regulatory prohibition to the granting of waivers.

I can appreciate your concerns and hope that we have sufficiently answered your questions. Again, I point out that the waiver granted Providence Hospital is indeed temporary and that the total bed capacity of the facility will not exceed that specified in the state Construction Plan when the remodeling process is completed.

Our Department will make every effort to assist you should you need any further information.

Sincerely,

Francis S.L. Williamson
Commissioner

March 8, 1979

Michael J. Beirne, M.D.
President
Lake Otis Clinic, Inc.
1020 "I" Street, Suite 1
Anchorage, Alaska 99501

Dear Dr. Beirne:

This is a much belated reply to your letter of January 5, 1979.

The retained copies of the letters of June 30, 1978 and July 20, 1978 from the Commissioner to Providence Hospital that you asked for in your January 5, 1979 letter have been xeroxed and copies are forwarded herewith.

I greatly regret the delay in our response, which resulted from the changing in the guard and the heavy press of business in the still understaffed office of State Health Planning and Development.

Sincerely,


Catherine M. Lloyd
Deputy Commissioner

Enclosures

JWB:jmm

bcc: OSHPD

June 30, 1978

Mr. Al M. Camosso
Administrator
Providence Hospital
3200 Providence Drive
Anchorage, Alaska 99504

Dear Mr. Camosso:

RE: State Funding Provided
Under Chapter 132, SLA 1974

As you may be aware, the Department of Law recently reviewed the actions of the Department of Health and Social Services with respect to its approval of the current bed capacity of Providence Hospital. The conclusions of the Department of Law are set forth in the enclosed opinion.

The opinion states that the Department of Health and Social Services cannot authorize public funds granted under authority of Chapter 132, SLA 1974, to be used in the provision of more than the 219 beds that were originally funded in the absence of a determination that the additional beds are needed under Hill-Burton criteria. The Department of Health and Social Services, unfortunately, did not resolve this issue when it permitted your institution to operate at its current capacity.

In accordance with the advice of the Department of Law, I will make a decision as to whether there is a need for the additional beds based upon Hill-Burton criteria. Before doing so, however, I will consider the recommendations of the Office of Planning and Research, as well as any recommendations submitted by South Central Health Planning and Development, Inc., the Municipal Health Commission, and, of course, Providence Hospital. All recommendations must be in writing and must be received by my office no later than August 15, 1978. I will promptly advise interested parties of my decision.

I am aware that this issue is of great importance to Providence Hospital. For this reason I believe that it would be appropriate to permit Providence Hospital to take an administrative appeal from my decision should the decision be adverse to it. An appeal would be heard by a hearing officer with no interest in the proceeding. In order to avoid any question of pre-judgment, I would adopt his or her decision as the final decision of the Department of Health and Social Services on this issue.

As is set forth in the enclosed opinion, there is no question as to whether Providence Hospital may currently be licensed to operate 250 beds. The question to be determined is simply whether certain state funds may be used in the provision of more than the 219 beds that were planned at the time those funds were awarded.

I appreciate it if you will confirm my assumption that Providence Hospital wishes to continue operating at its current capacity and will let me know whether the procedures set forth in this letter constitutes an acceptable manner in which to resolve this issue. I will then proceed to solicit recommendations of the various planning agencies.

Your continued cooperation is, of course, very much appreciated.

Very truly yours,

Helen D. Beirne
Commissioner

Enclosure
HDB:RR:lar

bcc: Department of Law

July 20, 1978

Mr. Al M. Camosso
Administrator
Providence Hospital
Pouch 6604
Anchorage, Alaska 99502

Dear Mr. Camosso:

RE: State Funding Provided Under
Chapter 132, SLA 1974

Since you have asked for an immediate response Commissioner Beirne, who is out of town, has asked me to respond to your letter of July 12, 1978, seeking clarification of the matters addressed in her letter of June 30, 1978.

In your letter you inquire as to the status of the operational license of your institution. You also question the necessity of the determination addressed by Commissioner Beirne and express concern over its possible interim effects.

I am told that Providence Hospital has been issued a license to operate 250 beds from July 1, 1978, through June 30, 1979. The number of beds authorized in the license may be adjusted if necessary to accord with the resolution of the matters addressed by Commissioner Beirne.

As I read the Attorney General's opinion of May 16, 1978, the Department of Health and Social Services must determine whether an increase in the bed capacity of your institution is needed under Hill-Burton criteria assuming it desires to use certain public funds in the provision of more beds than originally planned. It is apparent from Deputy Commissioner Jund's letter of May 6, 1977, that the department did not make this determination when it granted the waiver of licensing standards to which you refer.

The Department of Health and Social Services currently plans to honor progress payment requests. Any payments are subject to the resolution of the matters addressed by Commissioner Beirne.

July 20, 1978

I might add that even if the department were to find that more than 219 beds are not needed under Hill-Burton criteria then, barring of or eventualities, Providence Hospital would still be entitled to the funds if it reduces its bed capacity to that originally planned.

I hope this letter provides the clarification that you desire.

Very truly yours,

Catherine M. Lloyd
Deputy Commissioner for
Administrative Management

CL:RR:lar

bcc: Rick Robertson, Dept. of Law
Certification and Licensing,
Division of Public Health

LAKE OTIS CLINIC, INC.

Suite 1
1020 "I" Street
Anchorage, Alaska 99501

(907) 277-6219

January 5, 1979

Catherine M. Lloyd
Deputy Commissioner
Department of Health & Social Services
Pouch H-01
Juneau, Alaska 99811

Dear Deputy Commissioner Lloyd:

In response to your letter of December 5, 1978, I note that the Commissioner has made a determination as to whether Providence Hospital should be entitled to continue to receive funding originally granted to it under the Hill-Burton Program. The determination you indicate was made on December 1, 1978.

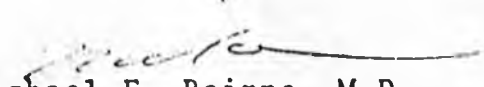
However, as I read the Commissioner's letter addressed to the Providence Hospital, and the reasoning behind such determination, I do not observe that final approval of their licensure was granted.

Perhaps you could explain this to me in letter form, so that my staff and I will be better advised as to what we may expect in the future, and what courses of action are open to us.

Also, I would appreciate your forwarding to me copies of the letters of June 30 and July 20 from the Commissioner to Providence Hospital. I have never received copies of those letters.

Thanking you kindly, I am

Sincerely ,


Michael F. Beirne, M.D.
President
Lake Otis Clinic, Inc.



ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

IN SESSION:

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JUNEAU, ALASKA 99811
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REP. M. F. "MIKE" BEIRNE
DISTRICT 7, ANCHORAGE

MEMBER OF:
FIFTH STATE LEGISLATURE
NINTH STATE LEGISLATURE
TENTH STATE LEGISLATURE
ELEVENTH STATE LEGISLATURE

COMMITTEES:
HEALTH
EDUCATION AND
SOCIAL SERVICES
COMMITTEE FOR REVIEW
OF REGULATIONS

March 14, 1979

The Honorable Glenn Hackney
Chairman, Senate Health, Education
and Social Services Committee
Pouch V
Juneau, AK 99811

Dear Senator Hackney:

Re: HB 17^a

I will not testify before your committee today. I think you're loaded up with enough for today.

Go ahead and pass the bill out and I'll come in next week sometime and scream and holler about the health planners.

Best regards,


Dr. Mike Beirne
State Representative

MB:js

HOUSE BILL 179

The Department of Health and Social Services supports House Bill 179 amending section 18.26.030(a) of the Alaska Medical Facility Authority Act to bring the language into compliance with section 103 of the Internal Revenue Code. The Alaska Medical Facility Authority establishes a financing mechanism for the construction and equipping of medical facilities for which a community based need has been demonstrated. By providing an economic mechanism to finance such facilities, efforts to contain spiraling health care costs could be enhanced.

The Department agreed with the legislative amendment to the original proposal in the Tenth Legislature which expanded the membership of the Medical Facility Board to include public members. While we still support the inclusion of public members, we do not feel that a member of the State Health Planning and Development Agency, which is within the Department, appropriately meets this classification, as proposed in AS 18.26.030(a) (4) (C). The Department would thus recommend deleting subsection (C) and rewording subsections (A) and (B) to read as follows:

- (A) One member shall be appointed from each of the three health services agencies in the state, organized and operated in accordance with sec. 1512 of P.L. 93-641, which may submit three nominees from among the members of that agency;
- (B) One member shall be appointed from the statewide health coordinating council, established by AS 18.07.011, which may submit three nominees from among the members.

The Department of Health and Social Services supports House Bill 179 with the amendments recommended above and urges the expeditious enactment of this corrective legislation.

Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health & Social Services

2/27/79
Date